

HOUSE BILL No. 1158

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-17; IC 27-8-34; IC 27-13-7-22.

Synopsis: Prescription drug costs. Specifies limitations on certain out-of-pocket costs for prescription drugs under coverage provided by a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract.

Effective: July 1, 2014.

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January 13, 2014, read first time and referred to Committee on Insurance.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1158

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10-8-17 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 17. (a) As used in this section, "covered individual"**
4 **means an individual who is covered under a state employee health**
5 **plan.**
6 **(b) As used in this section, "state employee health plan" means:**
7 **(1) a self-insurance program established under section 7(b) of**
8 **this chapter; or**
9 **(2) a contract with a prepaid health care delivery plan entered**
10 **into under section 7(c) of this chapter.**
11 **(c) A copayment or coinsurance amount that applies to coverage**
12 **of prescription drugs under a state employee health plan may not**
13 **exceed the following:**
14 **(1) Two hundred dollars (\$200) for a one (1) month supply of**
15 **a single prescription drug.**
16 **(2) Five hundred dollars (\$500) for a one (1) month supply of**



more than one (1) prescription drug.

(d) Out-of-pocket costs paid by a covered individual for prescription drugs under a state employee health plan must be included in any annual limitation that applies to out-of-pocket costs generally under the state employee health plan.

(e) This section does not require that a state employee health plan must provide coverage for prescription drugs.

(f) This section does not apply to a state employee health plan that is a qualified health plan offered through a health insurance exchange under the federal Patient Protection and Affordable Care Act (P.L. 111-148).

(g) This section expires July 1, 2016.

SECTION 2. IC 27-8-34 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

Chapter 34. Prescription Drug Costs

Sec. 1. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 2. A copayment or coinsurance amount that applies to coverage of prescription drugs under a policy of accident and sickness insurance may not exceed the following:

(1) Two hundred dollars (\$200) for a one (1) month supply of a single prescription drug.

(2) Five hundred dollars (\$500) for a one (1) month supply of more than one (1) prescription drug.

Sec. 3. Out-of-pocket costs paid by an insured for prescription drugs under a policy of accident and sickness insurance must be included in any annual limitation that applies to out-of-pocket costs generally under the policy of accident and sickness insurance.

Sec. 4. This chapter does not require that a policy of accident and sickness insurance must provide coverage for prescription drugs.

Sec. 5. This chapter does not apply to a policy of accident and sickness insurance that is a qualified health plan offered through a health insurance exchange under the federal Patient Protection and Affordable Care Act (P.L. 111-148).

Sec. 6. This chapter expires July 1, 2016.

SECTION 3. IC 27-13-7-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 22.** (a) A copayment or coinsurance amount that applies to coverage of prescription drugs under an individual contract or a group contract may not exceed the following:



1 (1) Two hundred dollars (\$200) for a one (1) month supply of
2 a single prescription drug.

3 (2) Five hundred dollars (\$500) for a one (1) month supply of
4 more than one (1) prescription drug.

5 (b) Out-of-pocket costs paid by an enrollee for prescription
6 drugs under an individual contract or a group contract must be
7 included in any annual limitation that applies to out-of-pocket costs
8 generally under the individual contract or group contract.

9 (c) This section does not require that an individual contract or
10 a group contract must provide coverage for prescription drugs.

11 (d) This section does not apply to an individual contract or a
12 group contract that is a qualified health plan offered through a
13 health insurance exchange under the federal Patient Protection and
14 Affordable Care Act (P.L. 111-148).

15 (e) This section expires July 1, 2016.

16 SECTION 4. [EFFECTIVE JULY 1, 2014] (a) IC 5-10-8-17, as
17 added by this act, applies to a state employee health plan that is
18 established, entered into, amended, or renewed after June 30, 2014.

19 (b) IC 27-8-34, as added by this act, applies to a policy of
20 accident and sickness insurance that is issued, delivered, amended,
21 or renewed after June 30, 2014.

22 (c) IC 27-13-7-22, as added by this act, applies to an individual
23 contract or a group contract that is entered into, delivered,
24 amended, or renewed after June 30, 2014.

25 (d) This SECTION expires June 30, 2016.

